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Constellation Brands

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Introduction

Constellation Brands stands as one of the most influential names in the world of beverage alcohol—a company synonymous with innovation, leadership, and the enduring pursuit of quality. From a modest beginning in upstate New York, Constellation Brands has transformed over the last eighty years into a global powerhouse, shaping and often redefining the beer, wine, and spirits landscape. Its story is, at its core, the story of modern American enterprise: a fusion of entrepreneurial vision, relentless adaptability, and a steadfast commitment to both product excellence and social responsibility.

The roots of Constellation Brands reach back to 1945, with the founding of Canandaigua Industries by Marvin Sands—a man with a keen eye for opportunity and an unshakeable belief in the potential of American wine. What started as a small operation, bottling and selling bulk wine with just \$2,000 in capital, quickly grew under Sands' leadership. The company's success in blending, bottling, and branding marked the first in a long series of pivotal moments that would shape its character and future direction. Over the decades, Constellation's journey mirrored the evolution of the American beverage market, punctuated by bold product launches, strategic acquisitions, and expansion into ever-newer territories and categories.

As the chapters of this book will reveal, Constellation Brands' ascent was anything but linear. Cycles of intense growth, market shifts, and leadership transitions defined the company's trajectory. Key moments—like the breakout success of Richard's Wild Irish Rose, the explosive wine cooler craze in the 1980s, and the landmark acquisition of Grupo Modelo's U.S. beer business—propelled Constellation into the limelight and forced it to continually reinvent itself. The Sands family, whose stewardship has been central to the company's identity, navigated these transformations while always seeking out the next big opportunity to expand both the brand portfolio and the company's geographic footprint.

Today, Constellation Brands occupies a unique position among its peers. It is the only major U.S. beverage alcohol company operating at scale across beer, wine, and spirits—with over 200 brands marketed in more than 60 countries. Iconic names like Corona, Modelo, Robert Mondavi, Kim Crawford, SVEDKA, and High West are just a few of the brands that anchor its portfolio and drive its financial performance. The company's role extends beyond simple business success; its commitment to environmental stewardship, social equity, and responsible consumption continues to reshape industry standards.

But Constellation Brands is also a company in flux, responding to shifting consumer

preferences, evolving regulations, and global macroeconomic headwinds. Recent years have seen significant adjustments: divesting lower-margin wine brands to focus on premium offerings, aggressive moves into new markets like cannabis, and ongoing investments in technology and innovation. As a Fortune 500 stalwart and a key player in the S&P 500, Constellation faces both the rewards and the challenges of continued relevance and leadership.

This book, *Constellation Brands: The Story of An American Company*, charts the fascinating history and promising future of one of the most important and dynamic companies in America today. By exploring its origins, milestones, setbacks, and triumphs, this volume aims not only to document the past but also to shed light on the decisions, values, and strategies that will shape Constellation Brands in the years to come. Whether you are an investor, a student of business history, a beverage enthusiast, or simply curious about the brands on your local store shelf, this is the story behind the name—a story of ambition, resilience, and a relentless drive to elevate the human experience through shared connection.

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CHAPTER ONE: The Birth of Canandaigua Industries: 1945 and the Early Years

The year 1945 marked not only the end of a global conflict but also the quiet beginning of an American enterprise that would one day span continents and dominate liquor store shelves. In the Finger Lakes region of New York, a place already steeped in winemaking tradition, a man named Marvin Sands embarked on a venture that would lay the groundwork for what we now know as Constellation Brands. With a modest sum of \$2,000, Sands founded Canandaigua Industries on November 13, 1945. It was a humble start, far removed from the global conglomerate it would become, but it was nonetheless driven by a clear vision and a hands-on approach to business.

Sands recognized a particular niche in the post-war American market: the inconsistent supply of bulk wine to bottlers in the eastern United States. Rather than attempting to grow grapes or produce wine from scratch, his initial strategy was to act as an intermediary, purchasing wine in bulk and then selling it to other companies for their bottling needs. This focus on the supply chain, on ensuring a steady and reliable flow of product, distinguished Canandaigua Industries from many of its competitors who were more focused on viticulture or direct-to-consumer sales. It was a practical, almost industrial approach to the romantic world of wine.

Marvin Sands was not a man to delegate every detail. He immersed himself in the practicalities of the business, particularly the art and science of blending and bottling. This direct involvement ensured quality control and allowed him to understand the nuances of the product he was selling. The early days of Canandaigua Industries were characterized by a lean operation, a relentless work ethic, and a deep understanding of the market's demands. Sands built relationships with growers and other winemakers, establishing a network that would prove invaluable as his company grew.

The Finger Lakes region itself played a significant, albeit understated, role in the company's genesis. With its unique microclimates and established vineyards, it provided a natural backdrop for a wine-related enterprise. While Canandaigua Industries didn't initially focus on producing its own wines from the ground up, the region's existing infrastructure and reputation for winemaking undoubtedly provided a fertile ground for Sands's ambition. He was, in essence, tapping into an existing ecosystem, streamlining its processes, and identifying areas where efficiency could be improved.

The initial capital of \$2,000, a sum that seems almost impossibly small by today's standards, underscored the entrepreneurial spirit of the era. It was a time when a

determined individual with a good idea and a willingness to work tirelessly could still build a business from the ground up. Sands's investment wasn't just in inventory or equipment; it was an investment in his own capabilities and his belief in the market's unfulfilled needs. He was betting on his ability to connect suppliers with demand, and to do so more effectively than anyone else.

The early operations of Canandaigua Industries were far from glamorous. Sands likely spent countless hours coordinating logistics, overseeing the blending process, and ensuring that the wine met the specifications of his customers. This period was about establishing credibility, building a reputation for reliability, and slowly but surely, carving out a space in a competitive market. Every sale, every satisfied customer, contributed to the nascent company's growth and solidified its foundation.

The year 1945 was a turning point for many industries as the country transitioned from a wartime economy to a peacetime one. Consumer demand began to shift, and opportunities arose for those who could identify and cater to these new needs. For Marvin Sands, that opportunity lay in optimizing the bulk wine supply chain. He wasn't creating a new product; he was improving the delivery of an existing one, making it more accessible and consistent for bottlers across the eastern U.S.

The company's early success wasn't due to flashy marketing campaigns or revolutionary new products. Instead, it was built on a solid understanding of the market, efficient operations, and a keen eye for quality. Sands understood that in the world of bulk commodities, consistency and reliability were paramount. Bottlers needed to know that the wine they received would be of a dependable standard, batch after batch. This commitment to consistency became a hallmark of Canandaigua Industries.

As the company gained traction, Sands continued to refine his processes and expand his network of suppliers and customers. The relationships he forged in these early years would prove crucial as Canandaigua Industries grew, providing a stable base from which to launch into new markets and product lines. The foundation laid in 1945 was simple yet robust, built on the principles of efficiency, quality, and a deep understanding of the beverage alcohol trade. It was a story of humble beginnings, but with the quiet promise of something much larger to come.

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